Bankruptcy of Asian Companies

1547. SHRI VIJAY J. DARDA: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the observation made by the Director of London School of Economics at a recently held Round-table conference at Kolkata organized by the Bengal Chamber of Commerce to the effect that some Asian Companies were heading towards bankruptcy;

(b) if so, what are the details thereof;

(c) whether Government propose to study the implications of the observation made in the said conference; and

(d) if so, by when and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The Director, London School of Economics, in his address at a meeting held at the Bengal National Chamber of Commerce and Industry on January 20, 2006 analysed the various risks that the world economy could face. Of these, one plausible risk could be a wave of corporate bankruptcies resulting from the changing economic balance of power combined with the phenomenon of rising oil prices. However, no specific mention of Asian Companies have been made in this regard.

(b) to (d) Do not arise in view of (a) above.

Complaints against recovery agents

†1548. SHRI VASANT CHAVAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government are in receipt of complaints with regard to harassment and manhandling the credit holders by recovery agents;

(b) whether Government would enact a stringent law to stop such harassment and manhandling;

(c) the details of the cases registered on the above matter by the police so far; and

(d) whether Government have directed all the banks to stop such practices and if so, when?

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†Original notice of the question was received in Hindi.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): a) Reserve Bank of India (RBI) have received some complaints from credit card holders against issuing banks alleging use of force and harassment by Recovery Agents.

(b) and (c) RBI has issued instructions to All Commercial Banks/ NBFCs (excluding RRBs) regarding Credit Cards Operations dated November 21,2005 which provide that the Banks/NBFCs and their agents should not resort to intimidation or harassment of any kind, either verbal or physical, against any person in their debt collection efforts, including acts Intending to humiliate publicly or intrude the privacy of the credit card holders' family members, referees and friends, making threatening and anonymous calls or making false and misleading representations. Further, the Banking Ombudsman Scheme has been amended *w.e.f.* January 1, 2006 so as to include credit card related complaints against banks/NBFCs within its purview.

(c) RBI/Government does not maintain data in this regard.

Spending of budget allocations in North Eastern Region

†1549. SHRIMATI SUSHMA SWARAJ: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that under specific guidelines, various Ministries of Government are required to spend ten per cent of their budget in the States of North-East Region;

(b) whether some Ministries have been exempted from following these guidelines; and

(c) if so, the names of such Ministries and rationale behind such exemption?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Various Ministries/Departments of Government of India are required to spend at least 10% of their Plan Budget (excluding Externally Aided Projects) in the States of North Eastern Region.

(b) Yes, Sir.

(c) A list of the Departments/Ministries exempted from following the guidelines is enclosed as Statement (See below). The following criteria are being followed for exempting a Ministry from earmarking 10% of their Gross Budgetary Support (GBS) for the North East:—

†Original notice of the question was received in Hindi.